

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 8038**

**BILL NUMBER: SB 471**

**DATE PREPARED:** Jan 17, 2001

**BILL AMENDED:**

**SUBJECT:** Prescribing Psychotropic Medication for Children.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires a physician, advanced practice nurse, or physician assistant to follow the most recent guidelines adopted by the American Academy of Pediatrics for the diagnosis and evaluation of a child with Attention Deficit Hyperactivity Disorder (ADHD) before prescribing a psychotropic drug for a child for the treatment of ADHD. The bill also provides that a physician, advanced practice nurse, or physician assistant is subject to discipline by the board that regulates the practitioner's profession for violation of this requirement.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** Additional expenditures would be required for printing of updated informational materials regarding the provision's guidelines on the diagnosis, evaluation, and treatment of ADHD. It is believed the Health Professions Bureau could absorb these expenditures within the Bureau's budget.

**Explanation of State Revenues:** *Background:* The most recent guidelines, released May 2000 by the American Academy of Pediatrics, contains the following recommendations for diagnosis of Attention Deficit Hyperactivity Disorder (ADHD):

- 1) In a child 6 to 12 years old who presents with inattention, hyperactivity, impulsivity, academic underachievement, or behavior problems, primary care clinicians should initiate an evaluation for ADHD;
- 2) The diagnosis of ADHD requires that a child meet *Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition* criteria;
- 3) The assessment of ADHD requires evidence directly obtained from parents or caregivers regarding the core symptoms of ADHD in various settings, the age of onset, duration of symptoms, and degree of

functional impairment;

4) The assessment of ADHD requires evidence directly obtained from the classroom teacher (or other school professional) regarding the core symptoms of ADHD, duration of symptoms, degree of functional impairment, and associated conditions;

5) Evaluation of the child with ADHD should include assessment for associated (coexisting) conditions; and

6) Other diagnostic tests are not routinely indicated to establish the diagnosis of ADHD but may be used for the assessment of other coexisting conditions (e.g., learning disabilities and mental retardation).

The Medical Licensing Board and the State Board of Nursing would be able to assess a monetary penalty of \$1,000 per violation of the most recent guidelines adopted by the American Academy of Pediatrics for diagnosis and evaluation of ADHD before prescription of a psychotropic drug for treatment of the disorder. If a practitioner as described by the bill were determined in a hearing to not have followed the guidelines above, the practitioner could be subject to a monetary penalty. Total penalties assessed by the Medical Licensing Board are currently unknown. If additional information concerning penalty amounts becomes available, the impact statement will be updated.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Health Professions Bureau, Medical Licensing Board, State Board of Nursing.

**Local Agencies Affected:**

**Information Sources:** American Academy of Pediatrics.